

Maine Revised Statutes
Title 20: EDUCATION
Chapter 501: STATE SCHOOL FUNDS

§3460. ALTERNATE METHOD OF PAYMENT OF SCHOOL CONSTRUCTION AID

This section shall apply only to school construction projects approved by the State Board of Education prior to July 1, 1977. [1977, c. 563, §6 (NEW).]

The State Board of Education may authorize the following method of paying school construction aid but shall authorize such method only when funds then have been appropriated in an amount sufficient to meet the total estimated amount of state aid payable on account of the capital project for which such state aid is approved and, if the said board authorizes the alternate method, the certificate of approval of the project issued pursuant to section 3458 shall so state. In the absence of such statement on a certificate, state aid on the project shall be deemed as not authorized under the alternate method. [1973, c. 571, §71 (NEW).]

Advance payments on projects for which the State Board of Education authorized the alternate method of payment under section 3460, as then in effect, are ratified and the local administrative units which have received such payments shall invest that portion of the proceeds of such advances which is not required for immediate disbursement for project expenditures. An amount equal to any interest earned on such investment of the proceeds of an advance payment shall be deducted from any balance of construction aid payable to the unit on the project. [1973, c. 571, §71 (NEW).]

On eligible projects for which the State Board of Education has authorized the alternate method and on which the local administrative unit, subsequent to February 4, 1972, submits evidence that the appropriate local officials have contracted or arranged for the construction of the approved facility or facilities, the financial assistance due the eligible unit shall be paid according to the following schedule.

An amount equal to 10% of the estimated state aid shall be paid immediately upon the submission of evidence that a contract for the construction of the project has been executed.

The eligible unit shall submit to the Commissioner of Education a schedule showing estimates of monthly cash disbursements to be made by the unit for project expenditures. Based upon the estimate of cash requirements, the commissioner, on or about the first of each month, shall pay an amount equal to the state's participation in the estimated project expenditures for that month, which monthly payments shall be continued until the total of all assistance paid equals 95% of the estimated state aid on the project. [1989, c. 700, Pt. A, §44 (AMD).]

Upon completion of the project and the submission to the commissioner of a full report of the major capital outlay expenditures on the project, together with proof that the project was completed in accordance with plans approved by the commissioner and the Bureau of Public Improvements, and upon issuance by the Bureau of Public Improvements of its certificate of acceptance of the completed project, the eligible unit shall be paid the difference between the total amount of aid finally determined to be due under the project and the accumulated amount of all prior payments.

Notwithstanding the provisions of section 3460 in effect at the time, eligible units, which have received an advance payment equal to 1/2 the estimated state aid, shall report to the commissioner at what date the proceeds of the advance payment shall be estimated to have been fully expended and also shall submit a schedule showing estimated monthly cash disbursements for project costs for the period following the date on which the advance payment shall have been fully expended. Based upon the estimate, the commissioner shall make monthly payments thereafter, and the final payment in accordance with the procedure prescribed above for projects on which evidence of contract execution was submitted after February 4, 1972. [1975, c. 272, §12 (AMD).]

The State Board of Education by regulation may prescribe the minimum total state aid on a project which will be subject to monthly payment. On projects in which the estimated state aid is less than such minimum amount, the board may specify that all state assistance shall be paid only upon the completion of the projects and the filing of reports as provided. In such case, the certificate issued by the board pursuant to section 3458 shall so state. [1973, c. 571, §71 (NEW).]

Financing costs incurred by the local administrative unit on any project for which the alternate method has been authorized shall not be included as part of the major capital outlay expenditures of the project; provided that any interest paid by a local administrative unit in borrowing on temporary loans in anticipation of state aid shall be reimbursed by the State upon application of the unit to the commissioner following the receipt of final payment of state assistance on the project, which application shall include evidence that all indebtedness incurred by the local unit in borrowing in anticipation of state aid has been liquidated through payment by the unit. [1975, c. 272, §12 (AMD).]

In accordance with the provision of law that the alternate method may not be authorized by the State Board of Education unless funds then have been appropriated in an amount sufficient to meet the total estimated amount of state aid estimated to be payable on the project, no local unit, without resubmission of the project application to the board, may increase by more than 10% the estimated project costs as submitted to the State Board of Education in the original application for approval of the project. In the absence of such resubmittal and the supplemental approval of the additional project costs, the State shall not be liable for construction aid on that part of the project cost which exceeds by more than 10% the original approved project cost. [1973, c. 571, §12 (NEW).]

It is the intent of the Legislature that such advance payments by the State on school construction aid, as heretofore have been made under section 3460 as then in effect, shall have been, and shall continue to be, expended by the local unit for necessary project costs concurrently with the funds of the local unit in the respective ratios of participation of the State and local unit in project costs, and that the advancement by the State of 1/2 the estimated state aid shall not be used to defer the date on which the local unit shall contribute or disburse its portion of the project funds. In the determination of the final payment of state aid to which the local unit is entitled under the alternate method, the commissioner is directed to insure that funds of the local unit have been made available and used concurrently with funds advanced by the State and shall make appropriate adjustments in the determination of the balance of state aid whenever he finds that the local unit has used funds advanced by the State to defer the provision of local financing of the project costs, has failed to invest amounts advanced by the State which are in excess of the immediate need for the State's portion of project expenditures, or in any way has used the funds advanced for purposes other than meeting the State's proportion of project costs as they became payable.

Whenever a project submitted by a local municipality has been approved by the State Board of Education for assistance and the municipality for which the project was approved, subsequently, but prior to the completion of the project, becomes a member of a School Administrative District, any balance of funds advanced to the municipality under section 3460 as then in effect shall be transferred to the School Administrative District together with interest which has been earned by the municipality in the investment of funds advanced by the State and any temporary investments of excess advanced fund then held by the municipality. The balance of state aid payable on the project shall be paid directly to the School Administrative District. Indebtedness incurred by the municipality in anticipation of the balance of state construction aid shall be assumed by the School Administrative District, which shall become responsible for the final report of project costs and for any application for reimbursement of interest costs incurred in anticipation of state aid throughout the course of construction of the project. The School Administrative District shall reimburse the municipality for any expenditures made by the municipality on loans in anticipation of state aid prior to the date of organization of the district and the municipality thereupon shall have no further claim on the State for reimbursement of such interest charges. [1973, c. 571, §71 (AMD).]

The State Board of Education is authorized to approve construction of certain school buildings, without obligating the State to pay a share of the costs of such buildings, whenever in the judgment of the board certain portions are to be constructed to fulfill a community service need. The board may approve the construction of facilities when gifts have been received by administrative units without obligating the State to pay a share of the costs of such facilities. [1973, c. 783, §28 (NEW).]

Any unit which votes to issue bonds or notes for a school construction project prior to July 1, 1974, shall receive its percentage of school construction aid during the period of construction based upon the percentage of aid that was in effect prior to January 1, 1974. Such aid shall continue until the project is completed in accordance with the established schedule of payments. The unit's share of the cost of the project which is financed by the sale of notes or bonds will be reimbursed to the unit as the notes or bonds and interest become due. [1973, c. 783, §28 (NEW).]

SECTION HISTORY

1969, c. 373, §2 (NEW). 1969, c. 511, §3 (AMD). 1971, c. 530, §37 (AMD). 1971, c. 542, §7 (AMD). 1971, c. 552, (RPR). 1971, c. 610, §21 (AMD). 1973, c. 571, §71 (AMD). 1973, c. 625, §§108,109 (AMD). 1973, c. 783, §28 (AMD). 1975, c. 272, §12 (AMD). 1977, c. 563, §6 (AMD). 1989, c. 700, §A44 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 126th Maine Legislature and is current through August 1, 2014. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.